

Amendments to the Specification:

Please replace the paragraph beginning at page 13, line 25, with the following amended paragraph:

Some methods to calculate the prediction coefficients for minimizing the residual energy ~~[[is]]~~are now described. First, the standard block-based approaches of the Burg Algorithm and the autocorrelation method are summarized. Then the sample based gradient adaptive lattice (GAL) method is described. Finally, modifications of the block-based methods for a sample-based calculation in a real-time system is described.

Please replace the paragraph beginning at page 19, line 10, with the following amended paragraph:

In the example given above, it can be seen that the resulting linear predictive terms are given by k_m . In the prior art, the k_m terms are used to model speech. However, note that there are resulting error terms, ~~$e(n)=f_p(n)$ and $b_p(n)$~~ $e(n)=f_p(n)$ and $b_p(n)$, which are also generated as an output from the LPC filter. In the prior art, these error terms are simply discarded and not used in any way. However, in the present invention, the error term is kept whereas the linear predictive terms are discarded. In other words, the ~~$e(n)=f_p(n)$, $b_p(n)$~~ $e(n)=f_p(n)$, $b_p(n)$ signals (or any linear combination thereof) are passed on through the receiver, while the k_m signal is discarded.